

STATE OF MICHIGAN  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE SERVICES

Before the Commissioner of the Office of Financial and Insurance Services

In the matter of:

Active Solutions Group Inc.  
7243 Appoline Street  
Dearborn, MI 48126

Enforcement Case No. 07-5148

Fadie J. Kadaf, President

Respondents

Issued and entered,  
on 28 August 2007  
by Frances K. Wallace,  
Chief Deputy Commissioner

**CONSENT ORDER AND STIPULATION**

**I.  
BACKGROUND**

Active Solutions Group Inc. is a Michigan corporation, organized under the laws of the State of Michigan that has made application for licensure as a mortgage broker under the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), Act No. 173 of 1987, as amended, MCL 445.1651 *et seq.* Fadie Kadaf is the sole officer/director/shareholder of Active Solutions Group Inc. Fadie Kadaf and Active Solutions Group Inc. are collectively referred to herein as "Respondents." Respondents are not licensed by the Office of Financial and Insurance Services ("OFIS") pursuant to the MBLSLA or any other consumer finance statute regulated by OFIS. In reviewing Active Solutions Group Inc.'s application, OFIS staff determined that Respondents were conducting mortgage-related activities, which require licensure as a mortgage

broker under the MBLSLA. Respondents and OFIS staff have conferred and have agreed to resolve this matter according to the terms set forth below.

## II.

### FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. In Fadie Kadaf's resume, which was attached to the Personal Disclosure Statement of the application, Fadie Kadaf indicates that mortgage licensee, Giulio Ledda Enterprises, LLC dba Federated Mortgages of Michigan ("Giulio Ledda Enterprises"), employed him as a loan officer from September 2003 to May 2005. The resume further indicates that mortgage licensee, Dallas Investment Inc. dba Sigma Financial Group ("Dallas Investment") employed Fadie Kadaf as an operations manager/loan officer from May 2005 to present. Contrary to Fadie Kadaf's assertions that he was an employee of Giulio Ledda Enterprises and Dallas Investment, Fadie Kadaf was neither an employee of Giulio Ledda Enterprises nor Dallas Investment.

2. Fadie Kadaf submitted Forms 1099 to OFIS for the years 2004 and 2005 as evidence of his mortgage experience with Giulio Ledda Enterprises. In the years 2004 and 2005, Giulio Ledda Enterprises compensated Fadie Kadaf as a 1099 independent contractor. Fadie Kadaf received nonemployee compensation from Giulio Ledda Enterprises in sum of \$160,004.24 for 2004 and \$146,301.35 in 2005.

3. Fadie Kadaf submitted Forms 1099 to OFIS for the years 2005 and 2006 as evidence of his mortgage experience with Dallas Investment. The 2005 Form 1099 illustrates that Active Solutions Group Inc. received compensation in the amount of \$207,919.26 from Dallas Investment. In addition, the 2006 Form 1099 shows that Active Solutions Group Inc. received remuneration in the sum of \$399,099.45 from Dallas Investments.

4. Section 2(1) of the MBLSLA prohibits a person from acting as a mortgage broker,

mortgage lender, or mortgage servicer without first obtaining a license or registration.

5. Section 2(3) of the MBLSLA prohibits a residential mortgage loan originator (also known as a loan officer) from receiving directly or indirectly any compensation, commission, fee, points or other remuneration from a mortgage broker, mortgage lender, or mortgage servicer other than his/her employer.

6. Based on the foregoing, Respondents conducted first lien mortgage business without the requisite license or registration certificate required under Section 2(1) of the MBLSLA.

### **III. ORDER**

Therefore it is ORDERED that:

1. Respondents shall cease and desist violating Sections 2(1) and 2(3) of the MBLSLA.
2. Respondents shall pay to OFIS an applicable civil penalty of \$1,000.00.
3. Fadie Kadaf, as the sole officer/director/shareholder of Active Solutions Group Inc., shall establish and maintain a program to monitor and ensure compliance with all state and federal consumer laws and regulations relating to all mortgage activity.
4. Fadie Kadaf, as the sole officer/director/shareholder of Respondent Active Solutions Group Inc., shall educate himself and all employees of Active Solutions Group Inc. with respect to all state and federal consumer laws and regulations, including the Mortgage Brokers, Lenders, and Servicers Licensing Act.
5. Fadie Kadaf shall review and ensure that Active Solutions Group Inc. complies with the OFIS Consumer Finance Bulletin No. 2003-09-CF, posted on the OFIS website, which clarifies OFIS's position on employees and branch offices in Michigan.



6. Fadie Kadaf, as the sole officer/director/shareholder of Active Solutions Group Inc., shall immediately designate a compliance officer for Active Solutions Group Inc. and provide written notification to OFIS of the compliance officer's name and business address, to ensure that Active Solutions Group Inc. is in compliance with all applicable state and federal laws. Fadie Kadaf's written notice designating a compliance officer shall accompany his payment of a civil penalty as provided for in Paragraph 2 of this Order. Fadie Kadaf, as the sole officer/director/shareholder of Active Solutions Group Inc., shall notify the Office of Financial and Insurance Services of any change in designation of the compliance officer within 30 days of such re-designation.

7. Fadie Kadaf, as the sole officer/director/shareholder of Active Solutions Group Inc., shall not utilize independent contractors for mortgage loan origination unless they are: 1) licensed or registered under the MBLSLA; 2) exempted from the MBLSLA under Section 25; or 3) licensed as a class I licensee under the Consumer Financial Services Act.

The Chief Deputy Commissioner retains jurisdiction over the matters contained herein and has the authority to issue such further Order(s) as she shall deem just, necessary, and appropriate in accordance with the provisions of the MBLSLA. Failure by Fadie Kadaf and Active Solutions Group Inc. to abide by the terms and provisions of this Order may result in the commencement of additional proceedings.

  
Frances K. Wallace  
Chief Deputy Commissioner

Date: 28 August 2007